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Before the Federal Communications Commission Washington, D. C. 20554

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

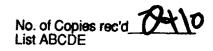
In the Matter of)	
Competitive Telecommunications Association Proposal to Institute a Rate Ceiling on Operator Service)))	CC Docket No. 92-77 DOCKET FILE COPY ORIGINAL

COMMENTS OF THE UNITED STATES TELEPHONE ASSOCIATION

The United States Telephone Association (USTA) respectfully submits its comments on the proposal submitted by the Competitive Telecommunications Association (CompTel) and others asking the Commission to institute a rate ceiling on operator service calls as an alternative to Billed Party Preference (BPP). USTA is the principal trade association of the exchange carrier industry. Its membership of approximately 1100 telephone companies provides over 98 percent of the telephone company-provided access lines in the U.S. USTA has actively participated in this proceeding since its inception and has submitted comments as well as estimates on the cost to provide BPP for small, independent telephone companies.

USTA has consistently argued that the Commission should not mandate the implementation of BPP, particularly for smaller telephone companies, until the recovery of the costs to implement and operate BPP is assured. Mandated implementation of BPP

 $^{^{1}\}underline{See}$, for example, USTA comments filed July 7, 1992 and USTA comments filed August 1, 1994.



will require a significant investment by exchange carriers that may not otherwise be made. Smaller exchange carriers should not be forced to incur any cost to implement BPP if it would be uneconomical to do so. Unfortunately, while the Commission has collected data on the costs to provide BPP, the Commission has yet to seriously address cost recovery. Without consideration and resolution of this issue, BPP should not be mandated.

The Commission has the authority to review the rates and charges of any operator service provider, whether a common carrier or other entity defined by § 226 of the Communications Act. The Commission can require that the provider demonstrate that its rates and charges are just and reasonable.² The Commission should exercise its current authority to ensure that the public interest in eliminating excessive operator service rates is furthered.

The CompTel proposal would impose a rate ceiling on operator service rates. Such a ceiling may well be useful to the Commission in exercising its regulatory authority. The effectiveness of such a ceiling, however, depends on the Commission playing an active role in ensuring that operator service rates are in fact reasonable. The Commission should carefully weigh the compliance burden on exchange carriers created by the proposal. While the cost of implementing such a proposal would be minimal compared to the cost of implementing BPP, the increased reporting and billing requirements could be

²47 U.S.C.A. § 226(h)(2)(A).

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burdensome for small telephone companies. It also should be clarified that the billing entity for the operator service provider, whether it be the exchange carrier or another contracted provider, would be required to implement the audit procedure required by the alternative.

Respectfully submitted,

UNITED STATES TELEPHONE ASSOCIATION

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April 12, 1995

CERTIFICATE OF SERVICE

I, Robyn L.J. Davis, do certify that on April 12, 1995 copies of the Comments of the United States Telephone Association were either hand-delivered, or deposited in the U.S. Mail, first-class, postage prepaid to the persons on the attached service list.

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